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## ACCOMPLISHMENTS FOR FISCAL YEAR 1965

1. Suggestions and Inventions

Suggestions and Inventions received.....	554
Suggestions eliminated by Branch as ineligible.....	192
Suggestions processed and evaluated as eligible.....	362
Suggestions considered as patentable inventions.....	-
 Suggestions adopted.....	 115
Suggestions Awards (Cash).....	105
Certificates of Appreciation.....	10
 Total Cash paid for Suggestions and Inventions.....	 \$26,755
 Adoption Rate.....	 31.8%

Of the 554 suggestions received during this past Fiscal Year, 65% were processed and evaluated as eligible, compared with 53% of the 542 received in the previous year. We attribute this "quality increase" to a very active supervisory interest, particularly in those offices where the head of the department has defined problem areas and has stimulated participation by formalizing and using the Internal Panels. The Incentive Awards Staff has continued its efforts, through briefings, individual contacts with supervisors, special arrangements for effective awards ceremonies, and careful guidance of these Panels.

A tremendous advantage was gained by the impetus given to the entire Federal Incentive Awards Program by President Johnson when he met with 3800 Cabinet Members and top level Agency and Department Officials at Constitution Hall to present awards for economy achievements. This ceremony, ostensibly designed to celebrate the Tenth Anniversary of the Incentive Awards Act (PL 763) conveyed to all in the Government that the President subscribes to the principle of Economy and Recognition, and that Incentive Awards are part of our official business, and not Fringe Benefits as was thought in early years.

The Fiscal Year 1965 Cash Awards figure of \$26,755 represents an all time high for this Agency. The sum includes three very significant awards totalling \$17,000. This money was earned by six scientists and four technicians, whose alert and dedicated contributions resulted in extraordinary advancements for the National Security.

The adoption rate of 31.8% is holding its own, still very interesting after its steady climb from 11% in 1957. This to us, testifies to the value of the supervisors' encouragement and assistance in this field.

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Publicity for this program has suffered. Our bulletin boards were removed without our knowledge, approvals for the new posters have been withheld until the Fall, our handouts in the cafeterias have exhausted their sales appeal, these are in fact tried and tired. Consequently, we have concentrated on personal contacts in the various offices, and in the OTR training courses, in an effort to counteract the advertising deficiencies. We were able to brief the DD/S senior officers at a DD/S staff meeting; we have been invited to say a few words at the larger awards ceremonies; and we have participated in every way possible by being present at Incentive Awards meetings. These activities have, of necessity, kept us from writing articles for the "Support Bulletin" and the "Suggestion Exchange", which have proven equally effective as mediae.

25X1D The very large awards are worthy of a brief description in this  
25X1D annual report: A \$10,000 award was paid to four DD/S&T scientists for an

25X1A9a The most interesting thing about this improve-  
25X1A9a ment is that three men, Mr. [REDACTED], observed some changes in message patterns. Influenced by their supervisor, Mr. [REDACTED] they undertook to analyze these changes and they came up with a most startling discovery which fortunately had far reaching security implications. One evaluator commented about it as follows: "It is impossible to speculate when the U. S. would have had this information xxxx had it not been for the resourcefulness and dogged persistence of [REDACTED]. I would rate the work done by this group to be one of the outstanding accomplishments in the United States xxxx analysis during the past decade."

25X1A9a

25X1D A \$5000 award was shared by two other DD/S&T scientists for devel-  
oping the [REDACTED] in the face of knowledgeable opposition from the contractor and the Air Force. These two men were awarded the cash, Certificates of Appreciation, and the Intelligence Medal of Merit.

A \$2000 award was presented to four communications technicians who had successfully developed a way to make magnetic core aperture plates encasing individual cores in plastic with the aperture open to accept electric wiring. A year ago, these men had shared a \$700 interim award. The \$2000 represents a final suggestion award, but the Agency is continuing to explore the possibility of obtaining a patent for this invention, which will cause them to receive U. S. Government-free royalties.

One other award or group of awards needs to be mentioned in this annual report. A maintenance man in the Carrier Maintenance Section of the Office of Logistics Services Division earned \$1335 for ten separate improvements which resulted in economies and greater operating efficiency in the Pneumatic Tube and Conveyor systems.

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This past year, the Logistics Improvement Program has been outstanding. The results obtained through the operation of a highly effective Internal Suggestion Panel coupled with top management direction and supervisory interest have produced the following:

- (a) A contribution of 22% of the Agency's total eligible suggestions, while the Office strength is but 8% of the Agency's departmental total.
- (b) 28% of the Agency's cash awards.
- (c) An adoption rate of 40% compared with 31.8% for the entire Agency.
- (d) Cash awards of \$3300 for achievements that earned over \$62,000 in tangible savings and intangible benefits. This Logistics Improvement Program was launched with the sharp slogan "Come Alive in 65." Kennedy half-dollars were given to each logistics employee who submitted an eligible suggestion. Very formal ceremonies were held to grant the awards and great interest in the program continued at all levels. As a matter of fact, they have now launched a CENTURY Club, whose membership is composed of persons who have earned \$100 or more in Cash awards.

## 2. Honor and Merit Awards

Recommendations received.....	78	
Recommendations approved by DCI.....	101	*
Distinguished Intelligence Medal.....	6	
Intelligence Star.....	5	
Intelligence Medal of Merit.....	26	
Certificate of Merit with Distinction.....	35	Cash Paid \$400
Certificate of Merit.....	11	Cash Paid \$1000
Legion of Merit (Army).....	1	
Air Force Commendation Medal.....	8	
Army Commendation Medal.....	8	
Navy Commendation Medal.....	1	
Board Meetings held.....	19	Recommendations approved by Board 74
Ceremonies held.....	31	

\* 23 Recommendations approved by DCI were submitted in Fiscal Year 1964.

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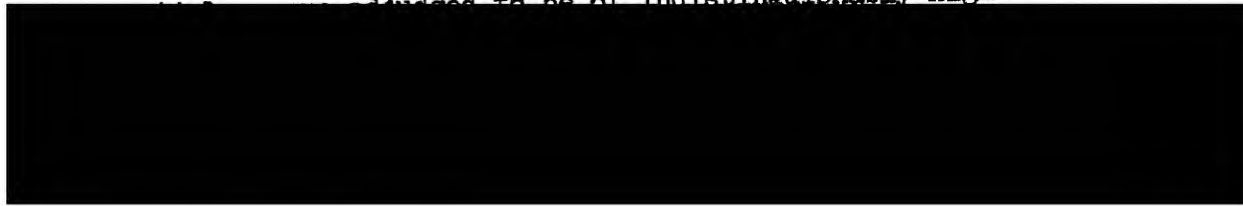
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The Honor and Merit Awards Program underwent an agonizing reappraisal of the Cash feature, which has been successfully resolved by a change in the new regulation presently being coordinated throughout the Agency. The new thinking is that Cash awards can be granted with the Performance Awards at the discretion of the Board. Furthermore, there is a new Valor Award, to be called the Certificate of Exceptional Service which was voted for by the Honor and Merit Awards Board. The Board also decided to rename the Certificate of Merit with Distinction and call it the Certificate of Distinction. It remains to be seen if all the Coordination elements agree with these changes.

In Fiscal Year 1965, there was a full scale awards ceremony in the Headquarters Auditorium when Mr. McCone presented the Distinguished Intelligence Medal to General Marshall S. Carter, retiring Deputy Director. Mr. McCone chose this opportunity to introduce Admiral Raborn and Mr. Helms, the new Director and Deputy Director of this Agency. This ceremony was similar to the Annual Awards Ceremony, with flowers, music, chorale, and an attendance of about 500 persons.

3. Studies in Intelligence Awards Program

The "Studies" annual award for the most significant contribution to the literature of intelligence was shared in 1964 among three authors [redacted] judged to be of indistinguishably high merit. They



25X1A

4. Superior Performance Awards

Six superior performance awards were earned at the [redacted] by the most outstanding employee (each quarter), the most outstanding employee of the year (as evidenced by receiving the most quarterly awards), and the supervisor who has gained permanent possession of a Unit plaque.

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5. Length of Service Awards Program

On 18 September 1964, the 17th Anniversary Ceremony was held in the Auditorium at which 147 persons received their 15 and 10 year certificates from General Carter, the Deputy Director of this Agency. Some 806 other certificates were delivered the next day to the different Directorates for presentation at the component level. This program also included honor to those persons in the Agency who had been recommended for or who had received external recognition in 1964. These included Mr. [redacted] who

25X1A9a

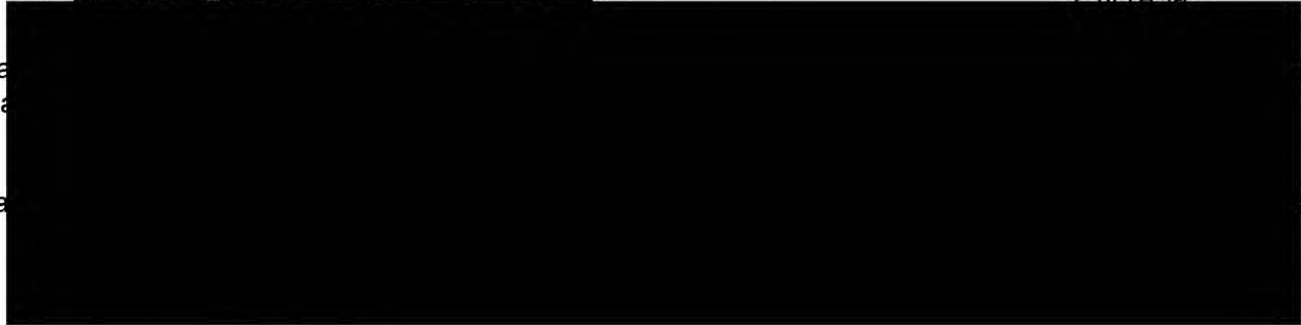
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25X1A  
5. Length of Service Awards Program (continued)

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6. Public Service Awards

25X1A9a      There have been two Public Service Award winners in this past year. Mr. Richard Helms received the National Civil Service League Career Service Award, and Dr. [REDACTED] Award.      25X1A

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## PLANS AND OBJECTIVES FOR FISCAL YEAR 1966

### 1. Suggestions and Inventions

- a. To continue to increase Agency benefits through the Suggestions and Inventions Program by extending interest throughout the Agency, particularly by reaching more supervisors.
- b. To post more exciting posters which will attract attention and increase participation.
- c. To promote active and knowledgeable Internal Panels within each Directorate and Independent Office similar to the one in the Office of Logistics which has been so successful.
- d. To install a broader based schedule of criteria in our Invention Awards Program as is done in the Bureau of Ships, Department of the Navy, which encourages inventors more effectively by paying them a percentage of the estimated royalties.
- e. We plan to continue to encourage the organization of more groups of significant awardees (\$100 or more), often referred to in Industry and Government as "Century Clubs." At our recommendation, groups have been formed at [REDACTED] and in the Office of Logistics. Many other independent offices have eligible candidates for a similar association. The object of these Century Clubs is to have the previous winners inspire and instruct new potential members.
- f. To schedule attendance at NASS Conventions for both Mr. [REDACTED] and myself.

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25X1A9a

### 2. Honor and Merit Awards

To continue to streamline administrative procedures as much as possible.

### 3. Length of Service Awards

- a. To improve the administration as far as possible.
- b. To include recognition at the Annual Awards Ceremony of our Safe Driver Awardees, as well as our Public Service Award winners.
- c. To arrange to send lists to the field offices of field personnel who have earned length of service certificates, with appropriate congratulatory remarks.

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#### PLANS AND OBJECTIVES FOR FISCAL YEAR 1967

The plans and objectives for Fiscal Year 1967 will be very similar to the plans described for the Incentive Awards Program for Fiscal Year 1966.

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NORTHWEST FEDERAL CREDIT UNION  
ACTIVITIES PROGRAM  
FISCAL YEAR ENDING - 30 June 1965

Since the Credit Union operates on a calendar year basis, attached to and forming a part of this report are the annual Credit Union reports for the period ended 31 December 1964. Also attached is a current financial statement for the six month period ending 30 June 1965 and a Credit Committee Report showing loans made for the first six months of 1965.

The following is a list of attached reports:

1. Financial & Statistical Report for period ending 31 December 1964
2. Division of Earnings & Statistical information for past five years
3. Comparative Financial & Statistical Report income and expense for past five years
4. Comparative Financial & Statistical Report for past five years
5. Credit Committee Annual Report for 1964
6. Estimated 1965 Operating Budget with actual figures for 1963 and 1964

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7. Estimated 1965 Cash Budget with actual figures for 1963 and 1964
8. Condensed Statement of Financial Condition for period ending 30 June 1965
9. Credit Committee Report for first six months of 1965

The above listed reports will reflect the fantastic growth and work load of our Credit Union.

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### FLASH HIGHLIGHTS OF THE YEAR

TOTAL ASSETS 30 June 1965 - \$12,068,200.

THE CREDIT UNION HAS GROWN \$1,700,000. IN TOTAL ASSETS DURING THE FISCAL YEAR FROM 1 July 1964 TO 30 June 1965.

TOTAL LOANS MADE DURING 1964 - 8,559 FOR \$10,506,137.

TOTAL LOANS MADE FOR FIRST SIX MONTHS OF 1965 - 4,483 FOR \$5,460,191. TOTAL LOANS MADE SINCE ORGANIZATION - 92,812 FOR \$72,759,855.

CREDIT UNION FINANCED 1,708 CARS DURING 1964.

LARGEST SINGLE LOAN MONTH IN HISTORY OF CREDIT UNION - June 1965 - \$1,098,747.

181 CARS WERE FINANCED IN ONE MONTH - June 1965.

TOTAL DIVIDENDS PAID TO MEMBERS JANUARY 1965 AT 4.8% - \$450,409.

TOTAL DIVIDENDS PAID TO MEMBERS SINCE ORGANIZATION - \$2,821,841.

TOTAL CASH RECEIPTS FOR THE YEAR 1964 - \$20,654,080.

TOTAL CASH DISBURSED FOR THE YEAR 1964 - \$20,147,024.

BI-ANNUAL CONFIRMATION OF CREDIT UNION ACCOUNTS BY THE SUPERVISORY COMMITTEE WAS COMPLETED IN AUGUST 1964.

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Excluded from automatic  
downgrading and  
declassification

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## OTHER ITEMS OF INTEREST

Members' share holdings are not insured by an Agency of the U. S. Government. They are protected by a Credit Union Fidelity Bond No 576 in the amount of two million dollars. Protection under the bond consists of coverage for robbery, fraud, mysterious disappearance, and related coverages.

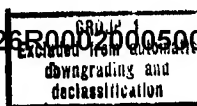
The Board of Directors have been studying the feasibility of insurance coverage on loans for disability and death.

At the annual meeting of CUNA International held at San Francisco, there were eight major immediate and long term objectives set by the leadership. The following four proposals are of interest and value to our Credit Union:

- (a) Checking account services
- (b) Funds for investment and speculation  
(creation of a Mutual Fund)
- (c) Increase unsecured loan limit for Federal Credit Unions to \$1,500.  
(current limit is \$750.)
- (d) Payroll deduction for federal employees

We reported last year on the probable updating of our machine bookkeeping system. In line with this the Credit Union has effected a proposal for automating the NWFCU System for maintaining members' share and loan records via the Office of Computer Services. This has been accomplished and the

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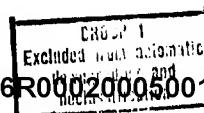


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final proposal will be presented to the Credit Union Board of Directors in the early part of August of this year. Adoption of these proposals will mean an effective conversion date on or about the first quarter of 1967. Prior programming and training has been in process at the Credit Union with regard to the utilization of the hardware and finished product.

Space and T/O Requirements: 2,200 square feet has been requested at Ames Building for a branch office of this Credit Union to provide Credit Union services for approximately [REDACTED] 25X9 members. This extension of Credit Union facilities to the Ames Building plus the anticipated conversion to data processing should relieve the over-crowding of the Credit Union offices at Headquarters.

To accommodate the branch office facility, the Board of Directors has authorized an increase of three additional (T/O 24) personnel and a probable extension to a total strength of 26 full-time employees. The Credit Union presently employs eleven part-time employees.



# FINANCIAL AND STATISTICAL REPORT

Approved For Release 2001/06/09 : CIA-RDP80-01826R000200050012-6

For Period Ended 31 December, 19 64

Charter No. \_\_\_\_\_

**NORTHWEST FEDERAL**

**CREDIT UNION**


Address \_\_\_\_\_

Street and Number \_\_\_\_\_

City - State \_\_\_\_\_

BALANCE SHEET				STATEMENT OF INCOME AND EXPENSE			
ACCT. NO.	ASSETS	NUMBER	END OF THIS MONTH	ACCT. NO.	INCOME	THIS MONTH	FROM 1 Jan 64 TO DATE
101	Loans:		UNPAID BALANCES	401	Interest on Loans	53,173	663,988.27
	DELINQUENT:			405	Income from Investments	30,964	100,588.24
(a)	2 months to 6 months	328	333,594.62	406	Gain on Sale of Bonds	--	--
(b)	6 months to 12 months	104	105,596.20	409	Other Income		64.82
(c)	12 months and over	67	57,026.48				
	Subtotal	499	496,217.30		Total Income	84,137	764,641.33
(d)	Current and less than 2 months delinquent	7,641	7,999,472.80				
(e)	Total Loans	8,140	8,495,690.10				
104-105	Cash on Hand and in Banks		431,743.77	202-1	Part time Treasurer's Salary	1,906	13,995.72
106	Petty Cash		10.00	202-2	Other Salaries	10,000	127,066.27
	Change Fund		244,682.12	202-3	Borrowers' Insurance	--	--
107	U. S. Government Obligations		--	202-4	Audit Exp. Life Savings Insurance	3,000	3,000.00
108	Savings & Loan Shares		2,650,000.00	202-5	League Dues	--	2,000.00
109	Loans to Other Credit Unions		--	202-6	Surety Bond Premium	87	986.67
112	Furniture, Fixtures and Equipment		40,602.93	202-7	Examination Fees	--	4,065.09
113	Unamortized Organization Cost		--	202-8	Supervision Fee	--	1,450.80
	Prepaid Insurance		2,803.96	202-9	Int. on Borrowed Money	378	3,794.42
115	Other Assets		64.58	202-10	Stationery and Supplies	35	3,095.85
	Returned checks		57.15	202-11	Cost of Space Occupied	--	--
				202-12	Educational Expense	138	1,095.64
				202-13	Collection Expense	--	8.00
				202-14	Depreciation Furn., Fix. and Equip.	651	7,808.72
				202-15	Social Security Taxes	69	507.15
	Total Assets		11,865,654.61	202-16	Other Insurance	--	74.41
				202-17	Recording Fees Chattel Lien Ins.	350	1,242.50
	LIABILITIES			202-18	Communications	200	1,366.99
301	Accounts Payable		259.37	202-19	Losses on Sale of Bonds	--	--
302	Notes Payable		150,000.00	202-20	Cash Over and Short	22	140.66
304	Withholding Taxes Payable		255.47	202-21	Other Losses	--	75.07
305	Social Security Taxes Payable		138.22	202-22	Bank Service Charge	--	340.06
	Accrued Salaries		30,000.00		Brinks	175	2,175.00
	Unclaimed shares		2,132.54		Maintenance	--	1,780.41
					Transport.	8	101.05
310	Shares		10,506,137.47		Unemp. Tax	--	146.35
311	Regular Reserve		567,155.73		League, mgmt	503	2,044.96
316	Special Reserve for Delinquent Loans				Otr State.	--	4,301.99
				202-30	Misc. General Expense	15	62.70
312	Undivided Earnings		27,660.96		Total Expenses	17,538	182,726.48
313	Gain or Loss		581,914.85		Net Earnings	66,598	581,914.85
	Total Liabilities		11,865,654.61		Net Loss		

## STATISTICAL INFORMATION

17-1	25X9A2	NUMBER	AMOUNT	ITEM	AMOUNT	
	No. of accounts at end of period		XXXXXX	5	Loans charged off since organization	56,415
			XXXXXX	6	Recoveries on loans charged off since organization	13,840
2	No. of potential members		XXXXXX			
3	Loans made year to date	8,559	10,011,057			
4	Loans made since organization	88,329	67,299,667			

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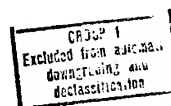
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	<u>NET EARNINGS</u>	<u>RESERVE FOR BAD LOANS</u>	<u>DIV. AT 4.8%</u>
Account Balances as of 12-31-64	\$581,914.	\$567,155.	
20% of Net Earnings to Reserve	<u>(116,382.)</u>	<u>116,382.</u>	
	\$465,532.	<u>\$683,537.</u>	
Undivided Earnings 1963	<u>27,660.</u>		\$493,192.
Available for Dividends	<u>\$493,192.</u>		
Cost of Dividend at 4.8%			<u>(450,409.)</u>
Undivided Earnings 1964			<u>\$ 42,783.</u>

# STATISTICAL INFORMATION

25X9	12-31-60	12-31-61	12-31-62	12-31-63	12-31-64
Loans made since orig. (no.)	54,656.	62,398.	70,722.	79,726.	88,329.
Loans made since orig. (amt.)	32,490,819.	39,849,439.	47,838,886.	57,328,470.	67,299,667.
Loans charged off to date	33,578.	34,466.	43,647.	48,285.	56,415.
Recovery on loans charged off	4,522.	5,170.	6,500.	8,515.	13,840.
Loans made by year (no.)	7,937.	7,942.	8,844.	9,004.	8,559.
Loans made by year (amt.)	7,026,289.	7,358,620.	7,989,447.	9,489,584.	10,011,057.
Rate of Dividend	4.8%	5.0%	5.0%	5.0%	4.8%

25X9



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INCOME AND EXPENSE

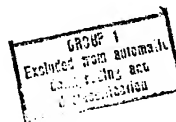
INCOME	1960	1961	1962	1963	1964
Interest on Loans	\$388,151.	\$437,571.	\$486,494.	\$568,718.	\$663,998.
Income from Investments	83,721.	94,521.	107,306.	104,846.	100,588.
Other Income			116.	1,387.	64.
<b>TOTAL INCOME</b>	<u>\$471,873.</u>	<u>\$532,129.</u>	<u>\$593,917.</u>	<u>\$674,953.</u>	<u>\$764,641.</u>
<b>EXPENSES</b>					
Quarterly Statements	\$	\$	\$	\$	\$ 4,301.
Audit Expense					3,000.
Other Insurance			43.		7.
Interest on Borrowed Money	4,200.	2,757.	3,798.	4,986.	3,791.
Salaries	79,824.	95,302.	98,066.	102,144.	127,066.
Part-Time Employees	3,502.	3,798.	12,013.	18,090.	13,995.
Stationery & Supplies	1,582.	1,756.	3,536.	3,065.	3,095.
Educational Expense	1,368.	2,085.	1,426.	1,093.	1,095.
Depr. of Furniture & Fixtures	2,121.	2,283.	1,706.	7,044.	7,808.
Bond Premium	842.	949.	954.	954.	986.
Examination Fee	3,028.	3,141.	3,332.	3,736.	4,065.
Supervisory Fee	1,072.	1,158.	1,254.	1,342.	1,450.
Miscellaneous General	205.	270.	496.	149.	62.
Cash Over & Short	313.	548.	505.	463.	140.
Brink's Delivery	510.	720.	1,147.	2,560.	2,175.
FICA Expense	105.	113.	374.	655.	507.
League Dues	1,000.	1,000.	1,000.	2,000.	2,000.
Maintenance & Bank Service Charge	1,720.	921.	866.	1,956.	2,121.
Lien Insurance	528.	595.	350.	370.	1,242.
Other Losses & Collection Exp.	--	410.	3.	982.	83.
Communications & Transportation	--	--	477.	2,659.	1,467.
Unemployment Tax			201.	665.	146.
League, Management & Conference			904.	1,866.	2,044.
<b>TOTAL EXPENSES</b>	<u>\$101,925.</u>	<u>\$117,814.</u>	<u>\$132,463.</u>	<u>\$156,788.</u>	<u>\$182,726.</u>
<b>NET EARNINGS</b>	<u>\$369,947.</u>	<u>\$414,314.</u>	<u>\$461,454.</u>	<u>\$518,165.</u>	<u>\$581,914.</u>
Cost Ratios: Exp. to Gross Income	21.6%	22.1%	22.3%	23.2%	23.9%
Sal. to Gross Income	16.9%	17.9%	18.5%	17.8%	18.4%



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 NORTHWEST FEDERAL CREDIT UNION  
 COMPARATIVE FINANCIAL AND STATISTICAL REPORT  
 31 December 1964

	12-31-60	12-31-61	12-31-62	12-31-63	12-31-64
<b>ASSETS</b>					
Loans	\$5,070,253.	\$5,622,881.	\$6,393,866.	\$ 7,819,320.	\$ 8,495,690.
Cash in Bank	264,939.	376,196.	263,388.	320,164.	431,743.
Petty Cash	10.	10.	10.	10.	10.
Change Fund	60,000.	60,000.	100,000.	100,000.	244,682.
Fed. Savings & Loan Assn.	1,470,000.	2,220,000.	2,370,000.	1,950,000.	2,650,000.
Loans to Other Credit Unions	460,000.	10,000.	30,000.	20,000.	--
Furniture & Fixtures	7,922.	6,980.	10,723.	47,746.	40,602.
Other Receivables	271.	700.	511.	233.	121.
Prepaid Bond	631.	2,544.	1,590.	636.	2,803.
<b>TOTAL ASSETS</b>	<u>\$7,334,027.</u>	<u>\$8,299,312.</u>	<u>\$9,170,090.</u>	<u>\$10,258,111.</u>	<u>\$11,865,654.</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 390.	\$ 591.	\$ 623.	\$ 447.	\$ 30,653.
Notes Payable					150,000.
Unclaimed Shares	430.	407.	451.	459.	2,132.
Shares	6,728,794.	7,556,764.	8,303,908.	9,243,047.	10,506,137.
Reserve for Bad Loans	299,457.	383,543.	467,912.	569,577.	683,538.
Undivided Earnings	304,955.	358,543.	397,194.	444,578.	493,192.
<b>TOTAL LIABILITIES</b>	<u>\$7,334,027.</u>	<u>\$8,299,312.</u>	<u>\$9,170,090.</u>	<u>\$10,258,111.</u>	<u>\$11,865,654.</u>

\*In order to save space, cents were dropped.  
 Therefore, the columns may not add up to the total shown.



CREDIT COMMITTEE'S ANNUAL REPORT

JANUARY 1965

1. Report for the year 1964
2. Number of regular meetings, 51. Number of special meetings, 228,
3. Number and amounts of loans approved:

YEAR	NUMBER OF LOANS	FACE TOTALS
1964	8559	\$ 10,011,057.06
1963	9004	9,489,592.59
1962	8124	7,989,452.80

4. TYPES OF LOANS APPROVED:

NUMBER	TYPE	FACE TOTALS
1007	Comaker	\$ 1,779,710.19
3431	Signature	1,589,639.58
768	Collateral	1,324,620.00
1431	Shares	1,509,468.90
1784	Combination	3,562,533.38
15	Trust	68,367.22
58	Educational	51,326.03
65	Stock	125,391.76
8559		\$10,011,057.06

5. Number of extension agreements approved: 431, amount of \$498,882.45.

6. Loan officer approved 5,264 loans, amount of \$3,754,581.46.

7. There were 700 loans approved during 1964.

8. Number of applications rejected were 185.

NORTHWEST FEDERAL CREDIT UNION  
CHARTER NO. 5603

	ACTUAL December <u>1963</u>	ACTUAL <u>1964</u>	ESTIMATED <u>1965</u>
<u>INCOME:</u>			
1. Interest on Loans (7.6% estimated)	\$568,718.	\$663,988.	\$710,755.
2. Income from Investments (4.9% est.)	104,846.	100,588.	130,000.
3. Other Income	1,387.	64.	--
4. TOTAL	<u>\$674,953.</u>	<u>\$764,640.</u>	<u>\$840,755.</u>

EXPENSES:

5. Part-Time Salaries	\$ 18,090.	\$ 13,995.	\$ 14,415.
6. Other Salaries	102,144.	127,066.	130,878.
7. Borrower Insurance	--	--	--
8. Life Savings Insurance	--	--	--
9. League Dues	2,000.	2,000.	5,000.
10. Surety Bond Premium	954.	986.	1,000.
11. Examination Fees	3,737.	4,065.	4,357.
12. Supervision Fees	1,342.	1,450.	1,611.
13. Interest on Borrowed Money	4,986.	3,794.	5,000.
14. Stationery & Supplies	3,066.	3,095.	4,000.
15. Educational Expense	1,093.	1,095.	1,200.
16. Collection Expense	--	8.	10.
17. Depreciation Fee	7,044.	7,808.	8,700.
18. Social Security Taxes	656.	507.	1,045.
19. Other Insurance	--	74.	--
20. Recording Fees- Chattel Lien Insurance	371.	1,242.	1,400.
21. Quarterly Statements	--	4,301.	4,500.
22. Communications	2,619.	1,366.	1,400.
23. Bank Service Charge	1,740.	340.	500.
24. Brinks	2,560.	2,175.	2,500.
25. Maintenance	217.	1,780.	1,800.
26. Transportation	41.	101.	150.
27. Unemployment Tax	665.	146.	430.
28. League & Management Expense	1,867.	2,044.	2,500.
29. Miscellaneous General	150.	62.	250.
30. Audit Expense	--	3,000.	6,000.
31. ADP System @ 6 mos.	--	--	17,640.
32. Systems Analysis Cost	--	--	2,000.
33. TOTAL	<u>\$156,788.</u>	<u>\$182,500.</u>	<u>\$218,286.</u>

34. NET EARNINGS:

35. 20% to Regular Reserve	\$518,165.	\$582,140.	\$622,469.
36. 80% to Undivided Earnings	--	\$116,382.	--
37. Regular Reserve Balance December 1964	--	\$465,532.	--
38. Add Estimated Earnings to be Transferred 1965 BALANCE	--	--	\$683,538.
	--	--	<u>\$124,493.</u>
39. Less Estimated Losses to be Charged Off 1965	--	--	\$808,031.
ESTIMATED BALANCE DECEMBER 1965	--	--	8,000.
	--	--	<u>\$800,031.</u>

GROUP 1  
Excluded from automatic  
downgrading and  
declassification

-2-

40.	Undivided Earnings Balance December 1964	\$ 42,783.
41.	Add Estimated Earnings 1965	<u>497,976.</u>
42.	BALANCE	\$540,759.
43.	Less Dividends Paid 1965 @ 5%	\$529,026.
44.	Less Dividends Paid 1965 @ 4.8%	\$505,513.
45.	ESTIMATED BALANCE AVAILABLE FOR DIVIDEND 1966 @ 5%	\$ 11,733.
	@ 4.8%	\$ 35,246.

GROUP 1  
Excluded from automatic  
downgrading and  
declassification

Items of Interest - 1965 Budget

#28 - League & Management Expense \$2,500.00

Management Conference (MACUMA)	\$300.00	
CUES Conference (Detroit)	475.00	
D.C. League Annual Dinner Dance	800.00	
Hospitality (Room & Beverage)	125.00	
MACUMA Christmas Party	500.00	
MACUMA Monthly Dinner Meetings	200.00	
Miscellaneous	100.00	
TOTAL	\$2,500.00	\$2,500.00

#13 -(Interest on Borrowed Money )

#23 -(Bank Service Charge ) Each is more or less dependent on the other. If our cash is depleted, we will be forced to borrow more; hence, our interest will be greater. If our cash balance is greater, our borrowing is less; ergo, interest is less and service charge is reduced.

#3 - Other income in prior years consisted of gain from sale of banks (promotional), sale of equipment and unidentified unrepresented checks.

#15 - Educational Expense - promotional and educational material (members), subscriptions to Wall Street Journal, Kiplinger Newsletter, Business Week, U.S. News & World Report, Everybody's Money, Credit Union Magazine, Consumer Bulletin, NADA, Credit Union Executive, ABOS Blue Book Boat Directory, Consumer Trends and Report on Credit Union.

#31 - ADP System Conversion costs estimated @ 21¢ per account per month.

GROUP 1  
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declassification

1965 CASH BUDGET  
NORTHWEST FEDERAL CREDIT UNION  
CHARTER NO. 5603

	ACTUAL 1963 <u>12/31/62</u>	ACTUAL 1964 <u>12/31/63</u>	ESTIMATES 1965 <u>12/31/64</u>
1. Cash Balance 1 January 19__	\$ 263,388.96	\$ 320,164.64	\$ 431,743.77
<u>Cash Receipts:</u>			
2. Share Payments	2,753,459.03	3,041,072.21	3,250,000.
3. Loan Payments **	7,610,540.41	9,088,202.26	10,000,000.
4. Interest Payments	568,718.99	663,988.27	710,755.
5. Income from Investments	104,846.54	100,588.24	130,000.
6. Investments Liquidated or Withdrawn	420,000.00	310,000.00	---
7. Borrowed Money	8,600,000.00	7,130,000.00	7,000,000.
8. Other Receipts	<u>1,387.88</u>	<u>64.82</u>	---
9. TOTALS	\$20,322,341.81	\$20,654,080.44	\$21,522,498.
<u>Cash Disbursements:</u>			
10. Share Withdrawals	\$ 1,814,319.29	\$ 1,777,982.30	\$ 2,000,000.
11. Loans to Members **	9,036,011.57	9,764,572.22	11,000,000.
12. Investments		1,010,000.00	500,000.
13. Repayment of Borrowed Money	8,600,000.00	6,980,000.00	7,000,000.
14. Expenses	156,788.09	182,726.48	218,286.
15. Other Disbursements			
16. Cash Balance 31 December 1965	320,164.64	431,743.77	250,000.
17. TOTALS	\$19,927,283.59	\$20,147,024.77	\$20,968,286.
18. NET INCREASE-Receipts-Disbursements	( 395,058.22 )	( 507,055.67 )	\$ 554,212.)

\*\* Note: "Loan Payments" includes refinanced amounts - discrepancy in Credit Committee includes "Hold" and cancellations.

Estimated Share Balance end of 1965	\$11,756,137.
Estimated Loan Balance end of 1965	\$ 9,495,690.

Note: To estimate dividend @ 5%, multiply estimated share balance 4.5% @ 4.8% x 4.3%.

1965 CASH BUDGET

1. Cash - Amount of cash on hand and in banks.
2. Share Payments - Total amount of share payments deposited by members for the year.
3. Loan Payments - Total amount of payments on money borrowed by members.
4. Interest Payments - Interest income received by Credit Union on member borrowings.  
Largest source of revenue for Credit Union.
5. Income from Investments - Income derived from investment portfolio consisting of S&L shares deposited in federally insured corporations (Federal Savings Loan Insurance Corporation) and Certificates of Deposit with banks - also insured by FDIC. Maximum deposits do not exceed insurable limits of \$10,000.00 in any institution.
6. Investments Withdrawn - Represents deposits withdrawn for either of the following reasons:
  - (a) Mergers and consolidation of Savings & Loan association.
  - (b) Need for operating cash due to loans and more withdrawal demands.
7. Borrowed Money - Represents money borrowed from banks to provide temporary change fund for check cashing purposes on pay-days and in limited situations wherein it is deemed provident by Management to borrow short-term funds rather than withdraw investments. Borrowings are short-term in all cases.
8. Other Receipts - Miscellaneous items - gain from sale of bonds, depreciated equipment, unrepresented checks and unidentifiable deposits received.
9. Total Receipts - Self-explanatory.
10. Share Withdrawals - Total withdrawal of savings by members.
11. Loans to Members - New loans disbursed to members.
12. Investments - Excess cash not needed for operating purposes that are invested in S&L associations and banks.
13. Repayment of borrowed money - Reimbursement of principal borrowed from banks for reasons explained in Item 7 above.
14. Expenses - Ordinary operating expenses such as salaries, depreciation on FFE, etc.
15. Other Disbursements - Disbursements not identified in items 10 thru 14, inclusive.
16. Cash Balance - Cash on hand and in banks at end of year.

~~SECRET~~

17. Total - Total disbursements.

18. Net Income - Increase of Receipts to disbursements or vice-versa.

COMMENTS: Actual figures for 1964 disclose a sharp increase in shares over the prior year and a reduction in withdrawals for the comparable period. Loan payments reflected a marked increase in relation to the prior year and the total amount of payments approached the aggregate amounts of loans disbursed. The increase in loan payments for 1964 was not followed by a corresponding sharp rise in loans disbursed.

Summarizing the above-mentioned facts, we find that a combination of high volume share and loan payments created an excess cash supply <sup>cash</sup> which was invested in S&L associations with a lower dollar yield through loans to members, ergo a decrease in anticipated net earnings albeit a very good growth year.



# Northwest Federal Credit Union

P. O. Box 663  
WASHINGTON, D. C. 20044

KENNETH E. WIEDEL  
GENERAL MANAGER

MICHAEL S. MASAKOWSKI  
ASSISTANT MANAGER

## STATEMENT OF FINANCIAL CONDITION 30 JUNE 1965

### ASSETS

Cash on Hand and in Bank	\$ 283,784.51
Petty Cash	25.00
Loans to Members	8,739,766.27
Loans to Other Credit Unions	5,000.00
Federal Savings & Loans Shares	3,000,000.00
Furniture, Fixtures, and Equipment	37,340.80
Other Assets	<u>2,283.83</u>

TOTAL ASSETS \$ 12,068,200.41

### LIABILITIES

Shares (owned by Members)	11,024,780.42
Accounts Payable	107.55
Unclaimed shares	2,097.68
Taxes Payable	312.18
Accrued Salaries	<u>30,000.00</u>

TOTAL LIABILITIES \$ 11,057,297.83

### NET WORTH

Regular Reserve	678,007.44	
Undivided Earnings	42,346.50	
Gain - (Close of Business 30 June)	<u>290,548.64</u>	<u>1,010,902.58</u>

TOTAL LIABILITIES & NET WORTH \$ 12,068,200.41

Northwest Federal Credit Union

P. O. Box 663  
WASHINGTON, D. C. 20044

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KENNETH E. WIEDEL  
GENERAL MANAGER

MICHAEL S. MASAKOWSKI  
ASSISTANT MANAGER

CREDIT COMMITTEE ACTIVITY

Six Month Period - 1 January to 30 June '65

Number of regular meetings 26, special meetings 100.

Number of loans approved - 4483 with face total of \$5,460,191.20.

Average amount of loan - \$ 1,218.00.

TYPES OF LOANS APPROVED:

Number	Type	Face Amounts	Face Averages	% of Total
586	Comaker	\$ 1,080,900.97	\$ 1,844	20
1,693	Signature	781,950.38	462	14
400	Collateral	659,957.92	1,650	12
729	Share	781,850.26	1,072	14
1,004	Combination	1,998,471.87	1,990	37
9	Trust	42,735.00	475	0.8
23	Educational	13,459.61	585	0.3
39	Stock	100,865.19	2,586	1.9
4,483	TOTALS	\$ 5,460,191.20		100 %

Number of extension agreements approved - 270 in amount of \$296,802.34.

Loan officers approved 2,631 loans in amount of \$1,962,528.26.

Number of applications rejected - 53.

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GROUP 1  
Excluded from automatic  
downgrading and  
declassification